

## NOBIRU Grow Tackling new business areas— Globalization

In railway operations, corporate management is prone to adopting an inward perspective and trying to complete everything within their own industry due to structural reasons. However, to advance railway operations into the future, it is vital for JR East to hone its technologies and expertise by obtaining expansive knowledge through entry into new business domains. Notably, the overseas railway market is projected to grow at an average annual rate of 2.5% going forward. As a result, the market should increase in size to ¥22 trillion in 2020. Accordingly, we will cooperate with companies worldwide to participate in overseas railway projects. Meanwhile, in Japan, we will overcome the tendency to look inward by taking steps such as actively incorporating superior technologies from around the world. Our goal is to establish an open and transparent corporate culture.



### ① Participating in overseas railway projects

#### *(Participating in overseas railway projects)*

JR East will actively develop an overseas railway consulting business around Japan International Consultants for Transportation Co., Ltd. (JIC). Furthermore, working closely with companies worldwide, we aim to participate in overseas railway projects including in the operation & maintenance field (planning, guidance and support related to train operation, equipment maintenance and related areas). One particular area of focus will be fast-growing Asia, which we have positioned as a priority region. We also intend to address railway projects in various regions while carefully identifying risks.

#### *(Developing overseas sites)*

We will develop business sites in Asia, including Singapore, in addition to opening the Brussels Office to serve as a business site in Europe. The purpose of these new offices is to promote overseas railway projects while strengthening our information gathering and marketing capabilities.



### ② Expanding railcar manufacturing operations

#### *(Enhancement measures aimed at establishing a fourth business pillar)*

We will maximize synergies between Japan Transport Engineering Company (J-TREC), which joined the group in April 2012, and the JR East Group, including our Niitsu Rolling Stock Plant in order to establish railcar manufacturing operations as our fourth business pillar\*. We will supply high-quality and high value-added railcars worldwide by answering various customer needs, including reducing lifecycle costs, by utilizing ICT. This will be done by further enhancing JR East comprehensive technological capabilities ranging from railcar manufacturing to operation and maintenance. Through production of the New Series E7 railcars for the Hokuriku Shinkansen at J-TREC, we aim to amass design and manufacturing expertise concerning Shinkansen and high-speed railcars.

\* The JR East Group's fourth business pillar, following railway operations, life-style business and Suica.

#### *(Promoting overseas business expansion)*

By further honing our comprehensive technological capabilities concerning railcars, we aim to participate in various overseas railway projects ranging from urban to high-speed railways, along with expanding our railcar manufacturing operations overseas. Additionally, we will team up with companies in Japan and overseas to expand the share of Japanese railcars in overseas markets.

### ③ Fully leveraging external technologies and services

#### *(Actively introducing overseas technologies)*

We will actively incorporate superior external technologies and services, including those from overseas, such as train control systems. To this end, we will continuously monitor external trends and information concerning technological development, without insisting on developing technologies internally.

#### *(Expanding procurement from overseas)*

When procuring railway products, our basic policy is to seek high-quality, low-priced products with adequate after-market services from a broad range of areas worldwide. Looking ahead, we will continue to enhance ties with overseas companies and the information we provide regarding procurement, with the view to expanding procurement from overseas.

### ④ New business initiatives

#### *(New business initiatives in the life-style business)*

Considering the onset of an aging society marked by a declining population, we will work to develop a host of new services in such fields as medical and healthcare, education, and delivery services, in addition to residential services integrated with town development, with the aim of increasing our contact with customers. In doing so, we will consider such perspectives as relevance with existing business and synergies with railway operations. Also, we will promote business activities from a global viewpoint, including overseas business expansion.

#### *(Promotion of M&As)*

We will actively promote M&As and business alliances with other companies, among other measures, for the purpose of obtaining technologies and expertise lacking in the Group and capturing synergies with existing businesses.

